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Governor

State of New Jersey
OFFICE OF THE ATTORNEY GENERAL
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October 25, 2006

VIA ELECTRONIC FILING

Honorable Robert D. Drain, U.S.B.J.
U.S. Bankruptcy Court - Southern District of New York
One Bowling Green
New York, New York 10004-1408

Re: **Maywood Capital Corp., et al, Case No. 05-10987, et al.**
Alexandra Horvath, Case No. 05-60172
Max Greenblatt, Case No. 05-60163
Joseph Greenblatt, Case No. 05-60142,
Harvey v. Maywood, et al., Docket No. ESX - 0015-05

Dear Judge Drain:

This office represents the New Jersey Bureau of Securities (the "Bureau") in the above matters. Pursuant to Your Honor's October 10, 2006 Order, the Bureau respectfully "request[s] the Court exercise its discretion and void the Settlement Agreement and Contract..." between the Court appointed Trustees, the New Jersey State Court Receiver, and Boris Davydov, the purchaser, in the above bankruptcy cases.

Pursuant to Your Honor's October 10, 2006 Order, Boris Davydov, was provided to "provide to the NJBOS [the Bureau] the same financial information and disclosures that he is obliged to provide to the Trustees and the Receiver under the Settlement Agreement and in connection with the Closing (as defined in the Settlement Agreement), to confirm the source of the funds used by Davydov to purchase the Max Properties and the NY Condo...."

At this time the Bureau is unsatisfied with the financial information and disclosures that have been provided by Mr. Davydov. The only information that the Bureau has received from Mr. Davydov is his affidavit with attached bank account information (which was previously submitted to this Court) and a Uniform Residential Loan Application, which was received on October 20, 2006.



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Neither provide proof of the source of the funds. The Bureau represented its position to this Court at the September 22, 2006 hearing regarding the type of information that the Bureau expected from Mr. Davydov. The Bureau has not received such information, although the Bureau has repeatedly requested it.

In addition, there are certain inconsistencies with the information that has been provided to the Bureau. Mr. Davydov asserted in his September 22, 2006 Affidavit that he earns "in excess of \$100,000." The Uniform Residential Loan Application indicates that he earns \$88,500. Furthermore, Mr. Davydov indicated on the Uniform Residential Loan Application that the property will be his primary residence. Although, it was previously contemplated in the Settlement Agreement that Max Greenblatt would remain in possession of the properties.

The Bureau only became aware of today's scheduled closing on the Max properties in the last twenty four (24) hours. In light of the closing that was scheduled to occur this afternoon, the Bureau made a final demand by letter sent via facsimile to all parties for Mr. Davydov to comply with the October 10, 2006 Order by providing the said information and any other information that may be disclosed at the closing by 2:00 p.m. this afternoon.

The Bureau has not received any additional information from Mr. Davydov that would "confirm the source of the funds." Therefore, in accordance with the October 10, 2006 Order, the Bureau respectfully requests that a hearing be set on "shortened notice" by this letter application to request that "the Court exercise its discretion and void the Settlement Agreement and the Contract...."

If you have any questions, please contact me at (973) 648-2893.

Very truly yours,

STUART RABNER
ATTORNEY GENERAL OF NEW JERSEY

By: 

Christopher W. Gerold
Deputy Attorney General

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